# The Eight-fold Path Step #1

Define the Problem

# Goal / Purpose:
## Step #1 Define the Problem

- To outline the problem in a manner that will address concerns by impacting future action

- Problem will allow for multiple alternatives/solutions to be examined

# Processes involved in Step 1:

1. Think of deficits & excess

2. Make the definition evaluative--guestimate magnitude if need be

3. Ensure problem is analytically manageable

4. Look at past but ensure problem focuses on future action

5. Use caution with rhetoric connected to issue

6. Iterate

# Related concepts / Tips:

- Market failure vs government failure

- Avoid defining the solution into the problem  e.g. There is too little shelter for homeless families

# The Eight-fold Path Step #2

Assemble some evidence

# Goal / Purpose:
## Step #2 Assemble Evidence

- Assess nature & extent of the problem you are trying to define

- Assess the features of the policy situation you are studying

- Find similar policies, similar to yours, that have worked effectively

# Processes involved in Step 2:

1. Thinking & collecting data are complementary activities -- collection should relate to proposed theories related to policy development/analysis

2. Evidence can be costly / educated guesses can be useful

3. Review the literature - lots of data & theory

4. Survey best practices --extrapolate to your own situation

5. Use or search for comparative analogies [ex physician in competence for investigatin incompetent attorneys]

# Processes involved in Step 2:

6. Assembling evidence has a political & analytic purpose so build relationships/connections

7. Ensure you connect with factions that will disagree with your stance

8. Be iterative -- verify evidence is related or analogous to your problem

# The Eight-fold Path Step #3

## Construct the Alternatives

# Goal / Purpose:
## Step #3 Construct Alternatives

FYI → Alternatives = Policy options or alternative courses of action [alternatives are not always mutually exclusive]

- Narrow alternatives to 2-3  [vette some / combine / reorganize]

# Processes involved in Step 3:

1.  Entertain "out-of-the-box" solutions [i.e. remove limitations→ what if there were no cost / ask why-not?]
2.  Check what governments do -- 'generic' policy instruments
3.  First alternatives -- allow present trends to continue as is
4.  Make models in the system where the problem exists [e.g. market model / production model / conformity models / evolutionary models]
5.  Conceptualize & Simplify list of alternatives -- sum basic strategic thrust in a simple sentence or phrase
6.  Points on a continuum as "alternatives" [e.g. moving continuous variables into policy compatible discontinuous choices]

# The Eight-fold Path Step #4

## Select the Criteria

# Goal / Purpose:
## Step #4 Select Criteria

- Allows the introductions of value & philosophy into policy analysis

- Selecting & setting criteria helps embody the judgement of whether the action/solution will in fact create projected outcomes

Ex. Alternative A $\rightarrow$ Outcome $O_A$

    Alternative A is judged to be the best outcome, however, applying criteria suggests that Alternative A will actually lead to $O_A$ we decided not to choose Alternative A

# Processes involved in Step 4:

1. Think about any policy story having 2 inter-connected but separable plotlines: the analytic & the evaluative
2. Analytic -- clearer rights & wrongs
3. Evaluation -- messy with subjectivity & social philosophy
4. Commonly used evaluative criteria:
   - Hit the target → stipulate concrete targets
   - Efficiency → i.e. maximize net benefits or maximize the public interest ….does allow for watching out for the "little guy" but can be socially unjust to poor
   - Cost-effectiveness vs benefit-cost analysis → cost-effectiveness used more commonly in policy analysis
   - Fixed resources or outputs
   - Equality, equity, fairness & justice
   - Freedom, community & other ideas
   - Process values

# Processes involved in Step 4:

5. Evaluative Criteria -- some deserve more weight than others:
- Let political process take care of it
- Analyst impose a solution → assign weight based on philosophical or political conception
- Distribution of "rights" precludes some solutions & forwards others [assume all rights claims as emerging from social process of trial & error as well as contestation]

6. Commonly used Practical criteria:
- Legality-feasible policy must not violate constitutional, statutory or common law rights
- Political acceptability-feasible policy must be politically acceptable or at least not politically unacceptable [be open to assessing strategic limitations & possibiliies
- Administrative robustness and improvability--needs to be able to 'weather' the implementation process [e.g. long delays; open to some improvements]
- Policy sustainability-policy-making is a dynamic process so a policy must try to maintain its integrity by deploying core principles that create "positive feedback"

# Processes involved in Step 4:

7. "Criteria" as Logical Constructs
   - Focus initially on one primary criterion... a principal objective to be maximized
   - Linear programming-a mathematical technique to conceptualize a task
   - Sort criteria whether values are to be maximized or minimized …. "Maximize such&such" "satisfy such&such" "minimize such&such"
   - Criteria should be characterized by conceptual & in operational [typically quantitative] terms

8. Specify Metrics
   - See table I-1 page 45….objective is to not to quantify but to clarify

9. Avoid confusing Alternatives & Criteria
   - Alternatives are courses of action
   - Criteria are mental standards for evaluating the results of those actions
   - Often mistakes occur due to language-use or semantics

# The Eight-fold Path Step #5

Project the Outcomes

# Goal / Purpose:
## Step #5 Project the Outcomes

- Hardest step in the 8 step process

- Essential step….to REALISTICALLY outline the the likely future impact of the implementation of the alternatives to solve the defined program

# Processes involved in Step 5:

1. Extend the Logic of Common Sense
   - Make adequately realistic models….more than one that have variety
   - Correlate models to evidence about "initial conditions"
   - Make use of metaphors behind the models
2. Choose a Base Case
   - Define projections against a common reference point, the base case
   - Base case = whatever condition exists today [that base case not expected to change so compare models to this base level or could be a how trends might unfold without policy adoption]
   - Some forgiveness if errors exist in base case if comparisons don't impact various models with radical differences
3. Dare to make magnitude estimates
   - Like a SMART goal…..some measurabilty

# Processes involved in Step 5:

4.  Trends Might be the Basis of Projections:
    - Verify that trends are stable
    - Data series can be subject to seasonal or cyclical trends

5. Break-Even Estimates can shrink uncertainty
    - Combatting your critics saying "you have no evidence this will work".....well they have "no evidence it won't work" because it is about future impact
    - Set the bar of justification as low as is reasonable
    - Adopt phrase of "sufficiently likely" to support likely results
    - Considered "break-even" or "threshold" analysis

6. Try Sensitivity Analysis
    - Check your assumptions and check on worst possible outcomes
    - Problem is you are wrong on 2-3-4 assumptions….then get "Monte Carlo simulation"
    - long-term policy analysis → computer assisted projection technique, help alleviate "Monte Carlo outcome"

# Processes involved in Step 5:

7. Confront the Optimism Problem:
    - Stay grounded in realistic versus excessive optimism\
    - Use Scenario writing → think of the dangers of the implementation process, political & otherwise but allow your imagination to run a little
    - Write scenarios in future perfect tense
        - Start with a list of adverse implementation outcomes→ one to two scenarios of how these might occur
    - Think about "unanticipated consequences" which are really anticipatable yet undesirable side effects
        - Moral hazard increases
        - Overregulation
        - Rent-seekers
    - Ethical costs of optimism -- worrying about possible adverse side effects of otherwise "good" policies as well as the possibility that even intended main benefits may fail to materialize

# Processes involved in Step 5:

8. The Emergent-Features Problem:

- Due to Complexity one will not always be predict with accuracy with respect to how interventions effect others as adaptations and changes occur during an implementation process
- Moves & Countermoves may prove to be helpful but could also lead to troubles with policy alternatives you are evaluating

9. Construct an Outcome Matrix:

- Projecting outcomes leads to a dense thicket of information
- Table I-2 page 63 shows your policy alternatives down the rows and your evaluative criteria across the columns ….each cell contains the projected outcome of the row alternative as assessed by reference to the column criterion
- Table I-2...8 alternatives [scenarios] across 5 criteria in 3 clusters
- Outcome Matrix:  Allows you to see what you still need to learn about and prepares you to confront the trade-offs
- May need to repeat this exercise
- Left in matrix generally signifies greater importance
- Make lables as informative as possible….use terms maximize & minimize

# Processes involved in Step 5:

10. But Policy contexts differ:
    - Policy context can include income; race; residential density, & other demographic features
    - Not all can be defined by list...."but policy-relevant context features are those that you cannot control but that probably make a difference to the eventual worth of the chosen policy" [pg 64]

# The Eight-fold Path Step #6

Confront the Trade-offs

# Goal / Purpose:
## Step #6 Confront the Trade-offs

- By confronting the various trade-offs, at least one 'good' alternative should be reached that will solve/mitigate the original problem

- Part of iterative process of ensuring problem is being addressed for intended purpose

# Processes involved in Step 6:

1. Focus on Outcomes
   - Identify alternative and convert them into outcomes
   - Need them stated as outcomes so the trade-offs can be confronted/compared/analyzed
   - Common trade off -- between money and a good or service or private costs vs social benefits
   - Sometimes outcome matrix will show no dominant outcome
2. Establish Commensurability  [measurable by the same standards]
   - Concept of break-even
   - Multi-attribute problem
   - Example: Alternative A1 stacks up well on Criterion C1, moderately well on C2 and poorly on C3….Alternative A2 stacks up the opposite way
   - Choose between two alternatives if we can weight the importance of the criteria and express their relative weights in units that are commensurable across the criteria

# Processes involved in Step 6:

2. Commensurability [continued]

Break-Even analysis revisited:

- Helps focus on residual uncertainties you will have to estimate
- Frame terms on how to express those estimates
- Break-even can help to solve commensurability problems
- Example safety standard imposed with cost $50 million but save…..allows an estimate for a "statistical life"

Frame trade-offs crisply:

- Example before from pg 35….railroad costs vs 10 households
- Another way is to think in terms of "average" individual….obviously involves complex moral questions but numbers are helpful….often essential

# Processes involved in Step 6:

3. Trade-Offs are about increments:
   - Choose base case...then fill outcome matrix….push commensurability as far as possible...what next?
   - Outcomes are expressed in increments/decrements with respect to base case outcomes…..so when going through with decision maker one can ask "if we spend an extra X dollars for an extra unit of Service Y, we can get extra Z units of good outcome."
   - So does society value Z more or less than X?

4. The Better and the Worse:
   - Trade-offs that are quantified are more useful than trade-offs that are not quantified
   - Quantification is not always possible
   - At least rank order alternatives…..with implicit 'quantity'

# The Eight-fold Path Step #7

Stop, Focus, Narrow, Deepen, Decide

# Goal / Purpose:
## Step #7 Stop, Focus, Narrow, Deepen, Decide

- Step 6….should have pointed to at least one good alternative

- Step 7….think seriously about actually policy being adopted….surviving the politics, that the design will have the power & resources to implement and be sustainable to ensure outcomes are met

# Processes involved in Step 7 :

1. Pretend you are the decision maker
   - If you struggle with the decision….think of what might need to be altered/reviewed [i.e. clarify trade-offs, review implementation problems, cost estimate needs to be clarified,
   - Role play will help you go through the commitment to an alternative
   - Don't share what your commitment would have been…..use process to support decision/deliberations with decision-maker
2. Apply $21 bill test
   - Based on old economic joke
   - If no one else has even used your alternative maybe there is a reason….analogous to no one picking up the $21 bill
   - Common sources of failure include….neglecting to consider the resistance of bureaucratic or other stakeholders

# The Eight-fold Path Step #8

Tell your story

# Goal / Purpose:
## Step #8   TELL YOUR STORY

- Clearly outline your problem and answer…..like Grandma Bessie would understand

- Tell your story so it will pass the elevator test

# Processes involved in Step 8 :

1. Apply the Grandma Bessie Test
   - Simple & clear problem and response
2. Gauge your audience
   - Direct and indirect
   - Regular audience….put a human face on the problem to connect to data
   - If making a clear recommendation, raise & rebut possible objections….for various audiences
3. Consider what medium to use
   - Oral or written
   - Oral -- speak slowly & distinctly

# Processes involved in Step 8 :

4. Give your story a logical narrative flow
   - Story flow should be designed for reader/listener
   - Try to avoid 'background' or need to know foundation
   - Sections….Problem….then each alternative as a major section
   - Each alternative→ probable outcome of alternatives & likely outcomes of causal model that have associated evidence

5. Common Pitfalls
   - Following the Eightfold Path too closely → use as guide not as rigid template
   - Compulsive qualifying → use words like most, on average, more often than not….then do exceptions later
   - Showing off all your work
   - Listing without explaining → less is more
   - Spinning a mystery yarn → start with conclusion
   - Inflating the style → avoid pomposity & circumlocutions
   - Forgetting that analysis doesn't persuade -- analysts do!  → communication & delivery are key

# Processes involved in Step 8 :

6. Structure your report
    - Generally begin with an executive summary
    - Good to use table of contents
    - Detailed technical info …. Goes to appendixes
    - Use headings & subheadings
    - Table format….be clear, label, footnotes?,
    - Statistics….keep them simple & few, percentages are good
    - References & sources ….list at end of the presentation...current trend with "scientific citation"

7. Using a memo format ….see page 80-81

8. Develop a press release
    - not always used, but think about how opponents might characterize the sound bite.

9. Powerpoint
    - Keep it simple, clean, text colour visible, not cutesy
    - Move through slides at reasonable pace
    - Hard copies available after presentation